



CYNTHIA D. BANKS  
Director

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COMMUNITY AND SENIOR SERVICES  
OF LOS ANGELES COUNTY

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"To Enrich Lives Through Effective And Caring Service"

BOARD OF SUPERVISORS

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June 01, 2010

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

16

JUNE 1, 2010

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

**APPROVAL FOR ONE-STOP OPERATORS AND RELATED CONTRACT AMENDMENTS FOR  
THE SEVENTEEN WORKSOURCE CENTERS AND AMENDMENT OF CONTRACTS WITH  
MANAGED CAREER SOLUTIONS AND CAREER PARTNERS TO ADJUST THE MAXIMUM  
MONTHLY AMOUNT LIMIT**

**SUBJECT**

This Board Letter requests approval to: 1) designate the seventeen (17) current WorkSource Centers as One-Stop Operators (OSOs) for the Los Angeles County Workforce Investment Area (LACWIA); 2) amend all contracts with the WorkSource Centers to designate them as OSOs, define their duties and implement the OSO system; and 3) amend the contracts awarded to Managed Career Solutions and Career Partners to remove the 5 percent limit on adjustments to the maximum contract sum for the provision of WIA job-related employment, placement, and training services to the residents of Los Angeles County.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Designate the current seventeen (17) WIA providers as OSOs for the LACWIA based upon the recent procurement for the WorkSource Centers.
2. Delegate authority to the Director of Community and Senior Services (CSS), or designee, to execute amendments, to become effective July 1, 2010, approved by County Counsel as to form, with the seventeen (17) WorkSource Centers for services specific to being a OSO, as defined in this Board Letter, in accordance with federal and State requirements.
3. Delegate authority to the Director of CSS, or designee, to execute amendments to the contracts with Managed Career Solutions and Career Partners to remove the 5 percent limit on adjustments to

the monthly maximum sum.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The Workforce Investment Act (WIA) requires one or multiple OSOs for each local workforce investment area and authorizes the local Workforce Investment Board (WIB), with the agreement of the Board of Supervisors, as the chief elected official, to designate the OSOs. The specific role of the OSO is up to the local workforce investment area and may vary depending on the design of the local system.

The WIB's recommendation is to limit the role of each OSO to the development and maintenance of the federally required Memoranda of Understanding (MOUs) and Resource Sharing Agreements (RSAs) among the mandatory partners at each WorkSource Center. MOUs are the agreements entered into with the One-Stop partners and the WIB regarding the operation of the One-Stop system that describe the services to be provided, how the cost of those services and the operating costs will be paid for, the methods that will be used to refer individuals between the OSOs and the One-Stop partners for the provision of appropriate services and activities and the duration of the MOU. RSAs are the agreements that lay out the cost allocation methodologies for the shared costs of the service delivery system, which is required by WIA. For these OSO duties, each WorkSource Center will be provided with approximately \$23,000, or up to 20% of the Fiscal Year (FY) 2010-11 administrative funds, in additional funding per year.

The recommended designation of the procured WorkSource Centers as OSOs will become effective via contract amendments on July 1, 2010 and will resolve a compliance finding with the Employment Development Department (EDD) related to the allocation of administrative costs. In consultation with the State EDD staff, the State was supportive of designating the current WorkSource Centers as OSOs by using the recent procurement for WorkSource Centers.

The Board Letter dated December 8, 2009 requires Board approval for any amendment over and beyond 5 percent of the maximum contract sum for Career Partners and Managed Care Solutions. Given the number of contract amendments completed within each fiscal year as a result of Federal stimulus funds, the delegated authority of removing the 5 percent cap would allow the Department the ability to augment contracts for additional funding in a timely manner.

Approvals of County Counsel and the Chief Executive Office are obtained prior to execution of any contract amendments; and the Director of CSS or designee, will confirm in writing to the Board of Supervisors within 30 days after execution that all such amendments have been executed. This action assures full expenditure of funds and is consistent with the Board's policy requiring review of contractor performance.

### **Implementation of Strategic Plan Goals**

The recommended actions are consistent with principles of the Countywide Strategic Plan -- Operational Effectiveness Goal 1, and Children, Family and Adult Well-Being Goal 2.

### **FISCAL IMPACT/FINANCING**

There is no impact on the County general fund to designate the current WorkSource Centers as

OSOs, since the WIA ADW programs are fully financed with WIA funds. In the current fiscal year, ADW program allotments total approximately \$21 million. Of that amount, CSS allocates ten percent, or about \$2.1 million to fund administrative activities, such as financial management, contracts management and compliance. Based on the latest WIA ADW program allotments from the federal Department of Labor, apportionment for these programs will decrease in FY 2010-11 to about \$19 million. Of that estimated amount, CSS would allocate approximately \$1.9 million for administrative activities.

Under the proposed OSO structure, CSS will allocate twenty percent of the FY 2010-11 administrative funds, for a total of approximately \$380,000, to fund the OSO limited activities. Each agency will receive approximately \$23,000 to support the OSO duties. Specifically, those administrative/OSO functions would include developing and maintaining MOUs and RSAs. While it is not anticipated, WorkSource Centers may decline the designation as an OSO. In such cases, CSS will allocate that agency's apportionment to other WorkSource Centers to assume OSO responsibilities for the Center that declined to be an OSO.

It is important to note that the reallocation of administrative funds to the OSOs will not result in any displacements or workforce reductions of County personnel. For future years, CSS is looking at ways to streamline operations and maximize other federal and State funding sources.

There is no overall fiscal impact on removing the 5 percent limit on adjustments to the monthly maximum sum for Managed Career Solutions and Career Partners.

## **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Public Law 105-220, Workforce Investment Act of 1998, Section 121(d), requires one or multiple OSOs in each local workforce investment area. The duties and responsibilities of the OSOs may range from coordinating services within a One-Stop Center, to being the primary service provider within the One-Stop Center, to coordinating activities and services throughout the One-Stop System. WIA authorizes the WIB, with the agreement of the chief elected official, to designate or certify OSOs in the local workforce investment area.

Since the inception of WIA, the WIB and the County Board of Supervisors have designated CSS as the OSO. During a monitoring review of CSS WIA Programs, reported in May 2008, EDD questioned the designation of CSS as the OSO because it did not have specific approval from the Governor for the designation. CSS and EDD have worked together to resolve this problem. The WIB also formed a Reengineering Work Group to review all possible choices. Several options have been explored, including seeking the Governor's approval or designating a consortium of WIA mandated partners as the OSO. The end result is that the recommendation presented here to designate the current WorkSource Centers using the existing procurement represents the most expedient and least expensive resolution. EDD concurs with this assessment.

## **CONTRACTING PROCESS**

All WIA formula-funded and ARRA-funded contracts have been competitively procured and terminate effective June 30, 2012, with an option to extend through June 30, 2013. Contract amendments executed with current WorkSource Centers, effective July 1, 2010 or upon approval by

the Board of Supervisors will specify the OSO responsibility of completing and monitoring MOUs and RSAs with its mandatory partners for an extra allocation of approximately \$23,000 per OSO. The Department anticipates releasing a new solicitation in 2012 for new contractors that will include OSO responsibilities.

The Los Angeles County WIB has approved this recommendation.

#### Monitoring Requirement

Beginning with FY 2003-04, CSS contracted with the Auditor-Controller's ( A-C's) Office to conduct fiscal and contract compliance monitoring of all its WIA contractors. The A-C will include monitoring the development and maintenance of MOUs and RSAs and the allocation of costs among the mandatory partners, as identified in the RSAs, at each WorkSource Center as part of its ongoing monitoring activities.

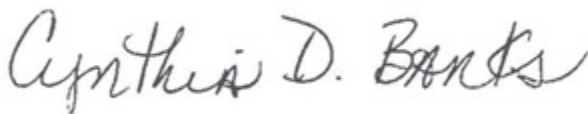
#### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The recommended actions will enhance the continued provision of workforce investment services to jobseekers and employers within Los Angeles County.

#### **CONCLUSION**

Upon Board approval, please mail two copies of the adopted Board Letter to Ms. Carol Domingo, Program Manager, Contracts Management Division, Community and Senior Services, at 3175 West Sixth Street, Room 403, Los Angeles, CA 90020. Ms. Domingo may be reached at (213) 351-5090.

Respectfully submitted,



CYNTHIA D. BANKS  
Director

CDB:MQ:gd

c: Chief Executive Officer  
County Counsel  
Auditor-Controller  
Executive Officer, Board of Supervisors